



Homeland Security

Lead Department: Office of Homeland Security
Governmental Relations

Background:

In both the 2003 and 2004 federal fiscal years, Congress appropriated homeland security funding to local first responders through two grant programs:

- The State Homeland Security Grant Program; and
- The Urban Area Security Initiative.

The City of San Diego asserts several claims to funding from this program:

- Among the Nation's 10 largest cities
- Proximity to the world's busiest International Port of Entry
- An international port that serves one of America's largest military installations
- Regional water and wastewater facilities that service a significant civilian population, and, the largest military installation in the United States
- Major tourist attractions such as Sea World and the San Diego Zoo, as well as other symbolic sites such as the Coronado Bridge.

The charts below track funding to California and our region, and the method by which investment decisions are made. DHS has announced a combined total of \$21.8 million to the San Diego urban area from phase II and phase III of the Urban Area Security Initiative and \$9 million in SHSG, with another allocation pending from the State.

State Homeland Security Grant Program (SHSG)

The federal Office of Domestic Preparedness disburses funds to the state based on a per capita distribution formula. The State can retain up to 20% of these funds, and is required to pass all additional funds to 58 *operational areas*¹ (OA) within California, which determine local distribution consistent with Federal & state guidelines. The Unified Disaster Council (UDC) serves that purpose for our region. Summary of allocations to date:

¹ *Operational Areas* include the incorporated cities within a county, and the county, which represents the unincorporated areas.

	California	San Diego Operational Area	City of San Diego
FY03 Part I	\$45,023,000	\$2,822,925	\$680,490
FY03 Part II	\$103,355,000	\$6,689,008	TBD ^a
FY04	\$133,964,000	TBD ^b	TBD ^b

- Notes:
- Part II funding is being held pending the development of the regional strategy plan under the Urban Area Security Initiative (UASI), with the intent of applying SHSP and UASI funding against the requirements of the plan.
 - California Office of Emergency Services will be issuing guidance that will indicate the allocation for the San Diego Operational Area (OA) and any restrictions on spending. There is no estimate at this time for when allocation amounts will be available. Once this is determined, the OA is responsible for applying for the grant, and the UDC determines the allocation for the participating jurisdictions, including the City of San Diego.

Urban Area Security Initiative (UASI)

The Federal Office of Homeland Security distributes funds directly to urban areas based on a formula that takes into account factors such as critical infrastructure, population density and credible threat information. Although not included in the initial round of funding, San Diego has benefited from round 2 & 3 – in which funding flows to the state then to the core city to be spent in accordance with a strategy plan covering the urban area. For San Diego, the urban area includes the county and the 18 incorporated cities.

Expenditures to date:

	Number of Urban Areas	California Urban Areas	Amount Designated
FY03 Part I (Round 1)	7	Los Angeles San Francisco	\$12,420,000 \$10,740,000
FY03 Part II (Round 2)	30	<u>Part I Cities</u> Los Angeles San Francisco <u>Part II Cities</u> Long Beach Sacramento San Diego	\$18,874,838 \$18,587,312 \$6,467,863 \$6,912,795 \$11,359,682
FY04 (Round 3)	50	<u>Part I Cities</u> Los Angeles San Francisco <u>Part II Cities</u> Long Beach Sacramento San Diego <u>FY04 Cities</u> Anaheim Fresno Oakland	\$28,268,504 \$24,481,275 \$12,136,091 8,024,926 \$10,479,947 \$10,345,691 \$7,076,396 \$7,854,691

	Number of Urban Areas	California Urban Areas	Amount Designated
		San Jose	\$9,982,442
		Santa Ana	\$15,058,528

Analysis

The principal issues the City faces are:

- **Congressional Appropriation of funds:** During the next calendar year, Congress will be debating and approving the FY 2005 Federal Budget. Support full funding of the SHSGP and the UASI program.
- **Distribution Formulas:** Current distribution of SHSGP funds includes a base + population methodology that doesn't adequately address the funding needs of large municipalities or the most heavily populated states. Legislation was introduced to amend the "base" for each state, thus increasing the amount available for per capita distribution. More equitable funding formulas for the SHSGP will have the net effect of providing more federal funds to the City and will assist in acquiring equipment, training personnel, conducting exercises and developing regional response plans. Increasing the percentage of funding for the UASI program provides a stronger opportunity for the City to realize higher grant levels due to the City's designation as an UASI grant recipient
- **Local Matching Requirements:** Current allocation of first responder funding does NOT require local matching funds by recipient jurisdictions. Previously introduced legislation would have required matching funds by local agencies, however that bill was not passed.
- **Expenditures of State funds:** If State retains a portion of the grants, support expenditure of those funds within the San Diego region and in accordance with the adopted regional plan.

State Issues

- Seek coordination between expenditures of State and Local funding

Federal Issues

- Support funding for the State Homeland Security Grant Program in the federal FY '05 budget
- Support funding for the Urban Area Security Initiative in the federal FY '05 budget
- Support S. 1245 (Collins)
 - Increase UASI funding from 10% of total federal appropriation to 20% or 25%.
 - Eliminate or increase the 5% cap on training overtime expenditures.
 - Overtime expenses account for a substantial amount of the costs for conducting training exercises. Existing grant requirements only permit 5% be available for these costs.
 - Maintain current law which does not require Local Matching funds to receive federal grant dollars
 - Previously introduced legislation, but not adopted, would have required grant recipients to provide local matching funds.

- Lower the minimum amount to each State from the SHSGP from 0.75% of the total appropriation to 0.50%.
 - The lower minimum amount would provide more funding for the “per capita” portion of the SHSGP.
- Support H.R. 3266 (Cox), which requires the Department of Homeland Security to develop a comprehensive assessment of threats and provide funding accordingly.
 - State and local regions apply for funding based on the extent of state, regional and local preparedness needs.
Funding allocated on combination of DHS threat assessment and local